

ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- X

UNITED STATES OF AMERICA

— V. —

SUPERSEDING INFORMATION

VLADIMIR KATS,
a/k/a "Ragnar,"

S6 13 Cr. 368 (DLC)

Defendant.

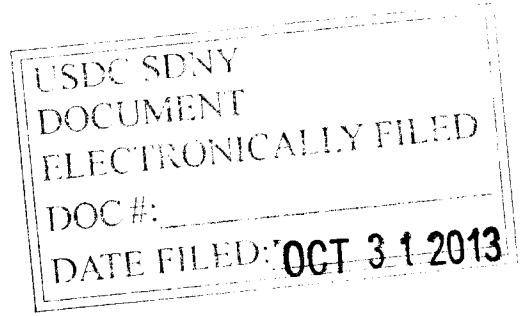
COUNT ONE

(Money Laundering Conspiracy)

The United States Attorney charges:

1. From in or about 2006, up to and including in or about May 2013, in the Southern District of New York and elsewhere, VLADIMIR KATS, a/k/a "Ragnar," the defendant, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit money laundering, in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 1956(a)(2)(B)(i), to wit, KATS and others conspired to operate a digital currency service known as "Liberty Reserve."

2. It was a part and an object of the conspiracy that VLADIMIR KATS, a/k/a "Ragnar," the defendant, and others known and unknown, in an offense involving and affecting interstate commerce, knowing that the property involved in



certain financial transactions represented the proceeds of some form of unlawful activity, would and did conduct and attempt to conduct such financial transactions, which in fact involved the proceeds of specified unlawful activity, to wit, identity theft, access device fraud, computer hacking, wire fraud, child pornography, and narcotics trafficking, in violation of Title 18, United States Code, Sections 1028, 1029, 1030, 1343, and 2252, and Title 21, United States Code, Section 841, respectively, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

3. It was further a part and an object of the conspiracy that VLADIMIR KATS, a/k/a "Ragnar," the defendant, and others known and unknown, would and did transport, transmit, and transfer, and attempt to transport, transmit, and transfer, monetary instruments and funds from places in the United States to and through places outside the United States, and to places in the United States from and through places outside the United States, knowing that the monetary instruments and funds involved in the transportation, transmissions, and transfers represented the proceeds of some form of unlawful activity, and knowing that such transportation, transmissions, and transfers were designed

in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, to wit, identity theft, access device fraud, computer hacking, wire fraud, child pornography, and narcotics trafficking, in violation of Title 18, United States Code, Sections 1028, 1029, 1030, 1343, and 2252, and Title 21, United States Code, Section 841, respectively, in violation of Title 18, United States Code, Section 1956(a)(2)(B)(i).

(Title 18, United States Code, Section 1956(h).)

COUNT TWO

(Conspiracy to Operate Unlicensed Money Transmitting Business)

The United States Attorney further charges:

4. From in or about 2006, up to and including in or about May 2013, in the Southern District of New York and elsewhere, VLADIMIR KATS, a/k/a "Ragnar," the defendant, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit an offense against the United States, to wit, operating an unlicensed money transmitting business, in violation of Title 18, United States Code, Sections 1960(a), 1960(b)(1)(B) and 1960(b)(1)(C).

5. It was a part and an object of the conspiracy that VLADIMIR KATS, a/k/a "Ragnar," the defendant, and others known

and unknown, would and did conduct, control, manage, supervise, direct, and own all and part of an unlicensed money transmitting business affecting interstate and foreign commerce, which (i) failed to comply with the money transmitting business registration requirements set forth in Title 31, United States Code, Section 5330, and the regulations prescribed thereunder, including Title 31, Code of Federal Regulations, Sections 1010.100(ff)(5) and 1022.380(a)(2); and (ii) otherwise involved the transportation and transmission of funds known to KATS to have been derived from a criminal offense and intended to be used to promote and support unlawful activity.

OVERT ACT

6. In furtherance of said conspiracy and to effect the illegal object thereof, the following overt act, among others, was committed in the Southern District of New York and elsewhere:

a. From at least in or about 2006, up to and including May 2013, VLADIMIR KATS, a/k/a "Ragnar," the defendant, and others known and unknown, operated a digital currency service that KATS co-founded, known as "Liberty Reserve."

(Title 18, United States Code, Section 371.)

COUNT THREE

(Operation of an Unlicensed Money Transmitting Business)

The United States Attorney further charges:

7. From in or about 2006, up to and including in or about May 2013, in the Southern District of New York and elsewhere, VLADIMIR KATS, a/k/a "Ragnar," the defendant, knowingly conducted, controlled, managed, supervised, directed, and owned all and part of an unlicensed money transmitting business affecting interstate and foreign commerce, to wit, a digital currency service known as "Liberty Reserve," which (i) failed to comply with the money transmitting business registration requirements set forth in Title 31, United States Code, Section 5330, and the regulations prescribed thereunder, including Title 31, Code of Federal Regulations, Sections 1010.100(ff)(5) and 1022.380(a)(2); and (ii) otherwise involved the transportation and transmission of funds known to the defendant to have been derived from a criminal offense and intended to be used to promote and support unlawful activity.

(Title 18, United States Code, Sections 1960 & 2.)

COUNT FOUR

(Receipt of Child Pornography)

The United States Attorney further charges:

8. From in or about 2007, up to and including in or about May 2013, in the Southern District of New York and elsewhere,

VLADIMIR KATS, a/k/a "Ragnar," the defendant, knowingly did receive and distribute material containing child pornography that had been mailed and, using a means and facility of interstate and foreign commerce, shipped and transported in and affecting interstate and foreign commerce by any means, including by computer, to wit, KATS received and attempted to receive files containing child pornography over the Internet via a file-sharing network, following a prior conviction under the laws of a State relating to the production, possession, receipt, mailing, sale, distribution, shipment, and transportation of child pornography, to wit, a conviction in New York County Supreme Court on December 1, 2006, for possessing a sexual performance of a child less than 16 years of age, in violation of New York Public Law 263.16, a Class E felony.

(Title 18, United States Code,
Sections 2252A(a) (2) (B) and (b) (1).)

COUNT FIVE

(Marriage Fraud)

The United States Attorney further charges:

9. On or about July 3, 2002, in the Southern District of New York and elsewhere, VLADIMIR KATS, a/k/a "Ragnar," the defendant, knowingly entered into a marriage for the purpose of evading provisions of the immigration laws, to wit, KATS entered

into a marriage with another individual for the purpose of helping her fraudulently obtain U.S. citizenship.

(Title 8, United States Code, Section 1325(c).)

FORFEITURE ALLEGATIONS

10. As a result of committing one or more of the offenses alleged in Counts One and Three of this Information, VLADIMIR KATS, a/k/a "Ragnar," the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), all property, real and personal, involved in the offenses and all property traceable to such property.

11. As a result of committing the offense charged in Count Four of this Information, VLADIMIR KATS, a/k/a "Ragnar," the defendant, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 2253, all of his right, title and interest in any and all visual depictions, and any and all books, magazines, periodicals, films, videotapes and other matter containing such visual depictions, that were produced, transported, mailed, shipped, received or possessed in violation of Chapter 110 of Title 18, United States Code; any property, real or personal, constituting or traceable to gross profits or other proceeds obtained from such offense; and any property, real or personal, used or intended to be used to commit or to promote the commission of such offense charged in Count Four of this Information, including but not limited to

visual depictions of minors engaging in sexually explicit conduct, and the matter containing such visual depictions (including computers, computer files, computer hard drives, and DVDs), seized from the defendant's residence on or about May 24, 2013.

SUBSTITUTE ASSET PROVISION

12. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third person;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b) and Title 21, United States Code, Section 853(p), to seek forfeiture of any other property .

of the defendant up to the value of the above-described
forfeitable property.

(Title 18, United States Code, Section 982 and
Title 21, United States Code, Section 853.)

Preet Bharara
PREET BHARARA
United States Attorney

Jai Ramaswamy
JAIKUMAR RAMASWAMY
Chief, Asset Forfeiture and
Money Laundering Section, Criminal
Division, United States Department
of Justice

Form No. USA-33s-274 (Ed. 9-25-58)

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(18 U.S.C. §§ 1956,
371, 1960, 2, & 2252A;
8 U.S.C. § 1325)

PREET BHARARA
United States Attorney.

10/31/13 Waiver of Indictment filed.

Cole, USDS

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